

INVESTOR RELEASE

FOR IMMEDIATE RELEASE

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LPKR maintains strong operational performance in the second quarter of 2022 with positive trajectory ahead but cautioned on risk of macroeconomic factors

- **LPKR's 2Q22 revenue increased by 4.3% QoQ to IDR 3.48tn, mainly driven by revenue increase from real estate and lifestyle, with healthcare remaining stable. 1H22 revenue decreased by 7.6% YoY to IDR 6.81tn compared to IDR 7.37tn in 1H21, primarily due to the exceptional Covid revenue from healthcare in 2021, where it made up 32% of the 1H21 healthcare revenue, compared to 7% in 1H22.**
- **Full-year marketing sales are on track to achieve IDR 5.2tn. Excluding one-off land plot sales, 1H22 marketing sales declined by 6.4% YoY with increasing macro risk factor.**
- **Real estate revenue increased by 16.3% QoQ in 2Q22 to IDR 1.01tn, mainly driven by handover of landed housings. 1H22 revenue decreased by 17.3% YoY primarily due to most apartment unit handovers being completed in 1H21. Nonetheless, revenue in 2H22 will be boosted by handovers of landed housing in Karawaci and Cikarang.**
- **Healthcare revenue was maintained in 2Q22 with a slight decrease of 1.5% QoQ to IDR 2.19tn. This is despite a typically slower second quarter after the Lebaran holidays. 1H22 revenue was lower by 4.9% YoY to IDR 4.41tn mainly due to the exceptional Covid revenue in 1H21.**
- **Lifestyle revenue increased by 14.1% QoQ in 2Q22 to IDR 284bn. 1H22 revenue also increased 12.3% YoY to IDR 533bn in 1H22 compared to IDR 475bn in 1H21, driven mainly by hotel occupancy rate improvement and higher number of mall visitors.**

JAKARTA – PT Lippo Karawaci Tbk ("**LPKR**" or "**Company**"), Indonesia's leading real estate and healthcare platform based on total assets and revenue, today released its 1H22 results. The Company has successfully maintained strong operational performance during the second quarter this year, as shown by the increase in revenue, gross profit and EBITDA of 4.3%, 4.7%, and 11.7% QoQ, respectively. Moreover, underlying NPAT improved by 40.8% QoQ, though overall NPAT decreased by 12.3% QoQ mainly due to unrealized non-cash adjustments such as FX loss. The growth was primarily driven by real estate business with improved landed housing handovers during 2Q22; along with lifestyle business with the increase in mall and hotel visitors from the loosening of community activity restrictions.

Exhibit 1: LPKR P&L Highlights (2Q22 vs 1Q22)

(In IDR bn)	2Q22	1Q22	Var QoQ	%QoQ
Revenue	3,478	3,336	142	4.3%
Gross Profit	1,500	1,433	67	4.7%
Opex	(822)	(826)	3	-0.4%
EBITDA	678	607	71	11.7%
Underlying NPAT*	(168)	(283)	115	40.8%
Other non-cash expenses:				
PSAK 72 & 73**	(128)	(116)	(11)	9.7%
Unrealized FX loss	(344)	(169)	(176)	104.2%
NPAT	(638)	(568)	(70)	-12.3%

* Underlying NPAT include interest, tax, depreciation and the rental expense equivalent component from the PSAK 73 leasing calculation

** PSAK 73 adjustment only includes the non-cash component of PSAK 73 leasing calculation (i.e., net of the rental equivalent)

For 1H22, the Company reported a revenue decrease of 7.6% YoY to IDR 6.81tn compared to the normalized revenue figure of IDR 7.37tn in 1H21, predominantly due to the exceptional Covid revenue for Healthcare in 1H21; similar with gross profit. Opex was successfully managed with a slight increase of 3.5% YoY.

Reported NPAT in 1H22 decreased by 47.2% YoY to -IDR 1.21tn mainly due to increase in unrealized FX loss from the USD/IDR appreciation. The company has a USD/IDR hedge position of Rp15,000 to Rp17,500 for most of its FX exposure to minimize further impacts.

Exhibit 2: LPKR P&L Highlights (1H22 vs 1H21)

(In IDR bn)	1H22	1H21 Reported	Var YoY	LMIRT Business Impact	1H21 Normalized*	Var YoY Normalized	%YoY Normalized
Revenue	6,814	8,056	(1,242)	683	7,374	(560)	-7.6%
Gross Profit	2,933	3,577	(644)	385	3,192	(259)	-8.1%
Opex	(1,648)	(1,614)	(34)	(22)	(1,592)	(56)	3.5%
EBITDA	1,285	1,963	(678)	363	1,600	(315)	-19.7%
Underlying NPAT**	(450)	136	(586)	556	(420)	(29)	-7.0%
Other non-cash expenses:							
PSAK 72 & 73***	(244)	(215)	(28)	-	(215)	(28)	13.2%
Unrealized FX loss	(513)	(184)	(329)	1	(184)	(328)	178.0%
NPAT	(1,206)	(263)	(943)	556	(819)	(387)	-47.2%

* Normalized figures adjusted to exclude the effect of LMIRT consolidation and Puri Mall Sale in 1H21

** Underlying NPAT include interest, tax, depreciation and the rental expense equivalent component from the PSAK 73 leasing calculation

*** PSAK 73 adjustment only includes the non-cash component of PSAK 73 leasing calculation (i.e., net of the rental equivalent)

Though the Company had not yet reached positive operating cashflow in 1H22, this period showed a substantial improvement compared to last year, as shown by the improvement of cash from business operations by c. IDR 1tn from -IDR 1,219bn in 1H21, mainly driven by improved collections from customers and successful management of operating costs.

Real Estate: Full year marketing sales on track, albeit 1H22 marketing sales declined 6.4% YoY, with increasing macro risk

The real estate segment delivered a strong performance in 2Q22 as reflected by a 16.3% QoQ revenue increase mainly driven by accelerated handover of landed housing in Karawaci and Cikarang. 1H22 revenue decreased by 17.3% YoY as most apartment handovers were completed in 1H21.

The Company's real estate business in Cikarang is operating under Company's subsidiary, PT Lippo Cikarang Tbk ("LPCK"). In 1H22, LPCK reported a strong increase in total revenue by 16.9% YoY to IDR 765bn with EBITDA growth of 52% YoY to IDR 266bn. The increase was primarily driven by landed housing handover.

Going into 2H22, The Company's revenue growth will be boosted by handovers of landed housing in Cendana Peak (total 261 units), along with Karawaci and Travertines cluster (total 490 units) in Waterfront Estates, Cikarang.

Exhibit 3: Real Estate P&L Highlights

<i>(In IDR bn)</i>	2Q22	1Q22	Var QoQ	%QoQ	1H22	1H21 Normalized*	Var YoY	%YoY
Revenue	1,006	865	141	16.3%	1,870	2,260	(390)	-17.3%
Gross Profit	496	415	81	19.6%	911	923	(12)	-1.3%
Opex	(262)	(263)	1	-0.5%	(525)	(473)	(52)	11.0%
EBITDA	234	152	82	54.3%	386	450	(64)	-14.3%

*Normalized figures adjusted to exclude the effect of LMIRT consolidation and Puri Mall Sale in 1H21

In 1H22, LPKR recorded 6.6% YoY marketing sales increase to IDR 2.48tn with a total of 3,047 units sold, which is in line with the Company's FY22 marketing sales target of IDR 5.2tn. Excluding one-off land plot sales, the 1H22 marketing sales saw a decline of 6.4% YoY. 2Q22 sales were driven by successful launches of landed house projects for first-home owners – Cendana Homes (Cendana Icon, Cendana Marq, Cendana Nest, Cendana Clov'r and Cendana Gard'n) in Karawaci, as well as Uptown Estate in Cikarang. During the launch of Cendana Homes on 23 Apr 2022 in Lippo Village, over 95% of 290 landed house units offered were sold out mostly to end-buyers.

There are macro risk factors that may impact the marketing sales performance for the remainder of 2022, mainly from a rising interest rate environment, and a softening of commodity markets that may impact domestic market and demands. Appropriate management of these risk factors would be key to achieve our full year marketing sales target.

Healthcare: SILO operations normalize from a non-Covid-19 environment

The Company's healthcare business is operating under Company's subsidiary, PT Siloam International Hospitals Tbk ("SILO"). In 1H22, SILO was a major contributor to the Company's total revenue by 65%.

In 2Q22, SILO successfully maintained performance compared to 1Q22 with a slight decrease in revenue by 1.5% QoQ to IDR 2.19tn. This was achieved despite almost no COVID revenue and during Ramadhan season in 2Q22. These achievements further confirmed SILO's strong trajectory to recovery.

In terms of YoY performance, SILO reported a 4.9% YoY decrease in Revenue to IDR 4.41tn in 1H22 mainly due to the very high Covid-19-related revenue in 1H21. Opex is lower on QoQ and YoY basis with a decrease of 7.7% and 3.9%, respectively.

Exhibit 4: Healthcare P&L Highlights

<i>(In IDR bn)</i>	2Q22	1Q22	Var QoQ	%QoQ	1H22	1H21	Var YoY	%YoY
Revenue	2,188	2,222	(34)	-1.5%	4,410	4,639	(229)	-4.9%
Gross Profit	803	842	(39)	-4.6%	1,644	1,935	(291)	-15.0%
Opex	(415)	(449)	35	-7.7%	(864)	(899)	35	-3.9%
EBITDA	388	392	(4)	-1.1%	780	1,036	(256)	-24.7%

In terms of SILO's operational metrics, patient volumes continued their firm growth trajectory in 1H22. Inpatient admissions increased by 23.9% YoY in 1H22 to more than 106,000 admissions, with stable total inpatient days compared to the same period last year at around 367,000 days despite significantly lower volumes of Covid-19-related cases in 2022. SILO had around 1,400,000 outpatient visits in 1H22, an increase of 24.4% YoY.

Compared to 1Q22, SILO's inpatient admissions, inpatient days and outpatient visits in 2Q22 were 8.7%, 4.5% and 2.2% higher, respectively. The number of Inpatient admissions and outpatient visits continue on their upward trend with higher figures in 2Q22 than in any quarter over the previous 8 quarters.

Exhibit 5: Healthcare Operational Metrics Highlights

Operational	2Q22	1Q22	%QoQ	1H22	1H21	%YoY
Inpatient Admissions	55,704	51,235	8.7%	106,939	86,318	23.9%
Inpatient Days	188,017	179,911	4.5%	367,928	365,519	0.7%
Outpatient Visits	714,079	698,796	2.2%	1,412,875	1,135,954	24.4%

Lifestyle: Uptrend in mall visitors and hotel occupancy rate

The Company's lifestyle segment primarily consists of mall and hotel business. Up to November 2021, the mall category consisted of LMIR Trust Malls ("LMIRT"), LK owned malls, and LK managed malls. However, as previously reported, in November 2021 the Company has sold approximately 11% of its ownership in LMIRT to Tokyo Century Corporation resulting in a decrease in its ownership in LMIRT to 47% from 58% previously, hence led to the deconsolidation LMIRT from the Company's financials since then.

By normalizing LMIRT's business impact to 1H21 book, the lifestyle segment revenue in 1H22 increased by 12.3% YoY to IDR 533bn with gross profit also similarly increased, mainly driven by hotel occupancy rate improvement to average 68% in 2Q22 due to looser travel restrictions, and also higher visitors traffic in malls of around 68% compared to average 2019 visitors in 2Q22 following Lebaran festive month and loosening restriction towards community activities.

The uptrend in hotel occupancy rate is also supported by the reopening of Aryaduta Bali, following the increase in both business and leisure travelers across Indonesia. Mall traffic is targeted to fully recover by early 2023.

Exhibit 6: Lifestyle P&L Highlights (2Q22 vs 1Q22)

<i>(In IDR bn)</i>	2Q22	1Q22	Var QoQ	%QoQ
Revenue	284	249	35	14.1%
Gross Profit	202	176	25	14.3%
Opex	(146)	(113)	(32)	28.6%
EBITDA	56	63	(7)	-11.5%

Exhibit 7: Lifestyle P&L Highlights (1H22 vs 1H21)

<i>(In IDR bn)</i>	1H22	1H21 Reported	Var YoY	LMIRT Business Impact	1H21 Normalized*	Var YoY Normalized	%YoY Normalized*
Revenue	533	1,157	(623)	681	475	58	12.3%
Gross Profit	378	718	(340)	384	334	44	13.1%
Opex	(259)	(242)	(17)	(22)	(221)	(38)	17.4%
EBITDA	119	476	(357)	362	114	5	4.7%

*Normalized figures adjusted to exclude the effect of LMIRT consolidation and Puri Mall Sale in 1H21

Recent Events

- Between end-Mar 2022 to 18 Apr 2022, LPKR acquired total of 330,416,800 shares of SILO, bringing Company's ownership in SILO to 57.9% from 55.35%.
- On 17 May 2022 SILO signed a Conditional Share Purchase Agreement ("CSPA") with First REIT Management Limited for the purchase of PT Tata Prima Indah (land and building of Siloam Surabaya) with proposed transaction value of IDR 430bn.
- In April and June 2022, LPKR launched another first-home owner landed residential clusters in Lippo Village area under the brand Cendana Homes (including Cendana Clov'r, Cendana Marq, Cendana Nest, Cendana Gard'n) and a commercial two storey building around Cendana Homes area under the brand Gard'n Avenue Plaza. Successfully sold 282 units of Cendana Homes series out of a total of 290 units offered (over 95% take up rate)

CEO of LPKR, John Riady stated, "1H22 had been a strong semester for us and we were able to improve performance from 1Q22 to 2Q22. We have successfully maintained FY22 marketing sales guidance so far but need to manage an increasingly challenging macro environment going forward. This includes factors such as a rising interest rate environment which may potentially increase mortgage rates, and may lead to reduced affordability, thinning demand, and increase in overdue installments. We observe with caution the deterioration in other real estate markets globally, and believe prudent risk management is important to minimize business impact. We do however benefit from a stable healthcare and lifestyle segments that should continue to benefit as Indonesia transitions to a post pandemic environment."

About Lippo Karawaci ("LPKR") (www.lippokarawaci.co.id)

Listed on the Indonesia Stock Exchange, Lippo Karawaci ("LPKR") is Indonesia's leading real estate and healthcare platform, with a presence in 44 cities across Indonesia and total assets of US\$3.6 billion at 31 December 2021. Our core business comprises urban residential developments, lifestyle malls and healthcare. We are also actively involved in integrated developments, hospitality, township development and management, as well as asset management services.

As a leading real estate developer and township operator with 1,332 ha of landbank ready for development, LPKR develops and manages urban developments primarily in Java and Sulawesi, including at our flagship township Lippo Village in Tangerang. Through LPKR's two publicly listed subsidiaries, PT Lippo Cikarang Tbk and PT Gowa Makassar Tourism Development Tbk, of which we own 84.0% and 62.7% respectively, we also develop and manage the townships of Lippo Cikarang in Bekasi and Tanjung Bunga in Makassar.

In addition, LPKR owns 57.9% of PT Siloam International Hospitals Tbk, Indonesia's leading private hospital network, with 41 hospitals in 30 cities nationwide. Aside from healthcare, we manage 59 malls across Indonesia, and hold a 47.0% stake in Lippo Malls Indonesia Retail Trust, a Singapore-listed REIT with SGD1.81 billion of assets under management as of December 31, 2021. We also operate 10 hotels under the Aryaduta brand, including a country club and golf course.

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Certain statements in this release are or may be forward- looking statements. These statements typically contain words such as "will", "expects" and "anticipates" and words of similar import. By their nature, forward-looking statements involve a number of risks and uncertainties that could cause actual events or results to differ materially from those described in this release.